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## cocoa

Approved by the World Food and Agricultural Outlook and Situation Board • USDA

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### WORLD COCOA BEAN PRODUCTION TO BE ABOVE RECORD 1979/80 HARVEST

#### SUMMARY

World cocoa bean production for the 1980/81 (October-September) crop year is forecast at 1.63 million metric tons, or slightly above the record 1979/80 harvest of 1.61 million tons. Reflecting less favorable growing conditions, African production is expected to drop by over 3 percent, but this decline is expected to be offset by record crops in Brazil and Malaysia. Based on past performance, the chances are two out of three that the actual final outturn will not vary more than 5.5 percent from this first estimate of world production.

World cocoa bean grindings in 1981 are forecast to be well below production levels, thus indicating a buildup in world stocks for the fourth consecutive year. World stocks increased by an estimated 148,000 tons this year, and a stock increase of 137,000 tons is in the offing for 1981. Continued use of cocoa substitutes and extenders, high sugar prices, and the economic slowdown in consuming countries are curtailing demand, despite declining cocoa prices.

Cocoa bean prices (the average of the daily closing price of the nearest 3 active futures trading months on the New York market) averaged \$2.60 per kilogram (\$1.18 per lb) during the first 10 months of 1980, well under the annual 1979 level of \$3.18 per kilogram (\$1.44 per lb). Prices in August hit a yearly low of \$2.19 per kilogram (99.3 cents per lb), but recovered slightly in September and October. World price trends for cocoa are expected to remain bearish during the remainder of the year and into 1981, if current supply-demand projections are realized. However, retail prices for finished cocoa and chocolate products are not expected to ease in 1981, as a result of soaring sugar prices and higher manufacturing costs.

Producers and consumers are scheduled to meet in Geneva October 27 to November 7, 1980, to attempt to negotiate a new International Cocoa Agreement. The old Agreement terminated March 31, 1980, after receiving a 6-month extension from the original expiration date of September 30, 1979.

COCOA BEANS: PRODUCTION IN SPECIFIED COUNTRIES, 1975/76-1980/81 1/  
(In thousands of metric tons)

Region and country	1975/76	1976/77	1977/78	1978/79	1979/80	Forecast 1980/81
North America:						
Costa Rica.....	7.2	9.4	9.0	9.0	5.0	8.0
Cuba.....	2.0	2.0	2.0	2.0	2.0	2.0
Dominican Republic.....	29.0	31.0	30.0	34.0	29.0	32.0
Grenada.....	2.9	2.1	2.3	2.3	2.3	2.0
Guatemala.....	2.0	3.0	3.5	3.5	3.5	3.5
Haiti.....	3.0	3.0	3.0	3.0	2.8	2.5
Honduras.....	.3	.3	.3	.3	.3	.3
Jamaica.....	1.6	1.6	1.3	1.8	1.8	1.7
Mexico.....	33.1	24.2	34.7	36.0	36.0	38.0
Nicaragua.....	.6	.5	.6	.3	.4	.4
Panama.....	.5	.5	.5	.5	.5	.5
Trinidad and Tobago.....	2.4	4.0	3.6	3.5	3.5	3.5
Other 2/.....	.4	.4	.4	.4	.4	.4
Total.....	<u>85.0</u>	<u>82.0</u>	<u>91.2</u>	<u>96.6</u>	<u>87.5</u>	<u>94.8</u>
South America:						
Bolivia.....	3.0	3.1	3.2	2.8	3.0	3.0
Brazil.....	257.4	234.0	283.0	314.0	290.0	325.0
Colombia.....	27.5	30.5	31.5	32.3	33.5	35.0
Ecuador.....	58.6	72.5	78.0	88.0	96.8	96.0
Peru.....	3.4	4.6	5.7	6.8	7.0	7.0
Surinam.....	.1	.1	.1	.1	.1	.1
Venezuela.....	16.0	16.6	16.7	15.1	13.0	16.7
Total.....	<u>366.0</u>	<u>361.4</u>	<u>418.2</u>	<u>459.1</u>	<u>443.4</u>	<u>482.8</u>
Africa:						
Angola.....	.1	.2	.2	.2	.2	.2
Cameroon.....	96.0	84.5	108.2	107.0	122.0	120.0
Comoro Islands.....	.1	.1	.1	.1	.1	.1
Congo.....	2.4	2.5	2.5	2.5	2.5	2.5
Equatorial Guinea.....	11.0	5.0	5.0	8.0	4.5	5.0
Gabon.....	3.7	3.5	3.2	4.4	4.0	3.5
Ghana.....	400.3	324.3	271.3	265.0	295.0	280.0
Ivory Coast 3/.....	231.1	232.4	303.6	312.0	360.0	360.0
Liberia.....	2.8	3.1	3.5	3.5	3.5	3.0
Madagascar.....	1.7	1.7	1.9	1.8	1.8	1.8
Nigeria 4/.....	217.9	167.3	205.6	139.0	175.0	160.0
Sao Tome and Principe.....	6.0	4.7	7.0	7.5	7.0	7.0
Sierra Leone.....	6.1	7.3	6.7	7.2	11.0	9.0
Tanzania.....	.8	.8	.8	.7	.7	.7
Togo 3/.....	17.8	15.5	16.0	14.0	14.0	14.0
Uganda.....	.1	.1	.2	.1	.1	.1
Zaire.....	4.3	4.1	4.7	4.0	4.0	4.0
Total.....	<u>1,002.2</u>	<u>857.1</u>	<u>940.5</u>	<u>877.0</u>	<u>1,005.4</u>	<u>970.9</u>
Asia and Oceania:						
Fiji Islands.....	.1	.1	.1	.1	.1	.1
Indonesia.....	3.7	4.6	4.0	6.0	6.2	7.0
Malaysia.....	15.4	17.3	22.0	27.8	33.5	40.0
New Hebrides.....	.5	.8	1.0	.6	.9	.8
Papua New Guinea.....	31.3	27.8	29.1	27.0	30.0	30.0
Philippines.....	3.2	2.9	3.1	3.3	3.4	3.4
Solomon Islands.....	.1	.1	.2	.2	.2	.2
Sri Lanka.....	1.9	1.8	1.3	1.5	1.5	1.5
Western Samoa.....	2.1	1.4	1.3	1.3	1.5	1.5
Total.....	<u>58.3</u>	<u>56.8</u>	<u>62.1</u>	<u>67.8</u>	<u>77.3</u>	<u>84.5</u>
Grand total.....	<u>1,511.5</u>	<u>1,357.3</u>	<u>1,512.0</u>	<u>1,500.5</u>	<u>1,613.6</u>	<u>1,633.0</u>

1/ Estimates refer to an October-September crop year. 2/ Includes Dominica, St. Lucia, Guadeloupe, and Martinique. 3/ Includes some cocoa marketed from Ghana. 4/ Includes cocoa market through Benin.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source material, reports of Agricultural Attachés and Foreign Service Officers, results of office research and related information.

## WORLD COCOA BEAN SUPPLY--DEMAND AND APPARENT STOCK CHANGE, 1949/50-1980/81

Oct-Sept. season	Production 1/		Grind 2/	Apparent stock change	: New York spot Accra cocoa bean prices 3/	
	Gross	Net				
-----1,000 metric tons-----						
1949/50.....	768	760	789	-29	29.0	
1950/51.....	806	798	756	+42	36.7	
1951/52.....	647	641	726	-85	35.2	
1952/53.....	809	801	809	-8	34.2	
1953/54.....	786	778	744	+34	56.5	
1954/55.....	786	778	731	+47	41.4	
1955/56.....	836	828	837	-9	28.8	
1956/57.....	898	889	919	-30	27.2	
1957/58.....	761	753	858	-105	43.5	
1958/59.....	899	890	874	+16	38.0	
1959/60.....	1,043	1,033	931	+102	29.9	
1960/61.....	1,164	1,152	1,026	+126	23.5	
1961/62.....	1,125	1,114	1,120	-6	21.9	
1962/63.....	1,162	1,150	1,154	-4	23.9	
1963/64.....	1,239	1,227	1,194	+33	24.1	
1964/65.....	1,491	1,476	1,340	+136	18.4	
1965/66.....	1,220	1,208	1,388	-180	23.1	
1966/67.....	1,336	1,323	1,386	-63	27.5	
1967/68.....	1,352	1,338	1,410	-72	30.9	
1968/69.....	1,236	1,224	1,353	-129	45.1	
1969/70.....	1,423	1,409	1,355	+54	37.3	
1970/71.....	1,493	1,478	1,438	+40	29.2	
1971/72.....	1,572	1,556	1,565	-9	29.0	
1972/73.....	1,406	1,392	1,556	-164	55.5	
1973/74.....	1,458	1,443	1,478	-35	91.2	
1974/75.....	1,542	1,527	1,462	+65	82.7	
1975/76.....	1,511	1,496	1,525	-29	92.0	
1976/77.....	1,357	1,343	1,361	-18	189.8	
1977/78.....	1,512	1,497	1,387	+110	4/ 147.7	
1978/79.....	1,500	1,485	1,426	+59	154.3	
1979/80.....	1,614	1,598	1,450	+148	123.5	
1980/81 forecast.....	1,633	1,617	1,480	+137	--	

1/ FAS data. An adjustment of 1 percent for loss in weight is made to arrive at a net production figure. 2/ Gill & Duffus data. Calendar year grind, refers to last year of crop year. 3/ Average for October-September year. 4/ Beginning October 1977, all price data refer to the average of the daily closing price of the nearest 3 active futures trading months on the New York market.

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October 1980

Commodity Programs, FAS, USDA

## MAJOR PRODUCERS

Ivory Coast production is expected to approximate the record 1979/80 harvest of 360,000 tons. New plantings coming into bearing and young trees increasing in productivity are expected to offset losses from less-favorable growing conditions this season. (The Government has extended the 1979/80 campaign into the new crop season, which will inflate the final 1979/80 official production figure and detract from the 1980/81 count. However, FAS estimates of Ivory Coast production have been adjusted for a October--September basis to conform with the international cocoa year). But some sources believe that the new crop will total only about 320,000-330,000 tons.

Producer prices for the new crop will remain at 300 CFA per kilogram (about U.S. 65 cents per lb), and the 60,000 CFA/hectare (US\$285) subsidy to farmers for new plantings will be continued. The 1980/81 harvest is expected to be late because of delayed flowering in all areas, except Abengourou in the eastern region of the country. Following a dry July, rainfall has reportedly been sufficient in most areas.

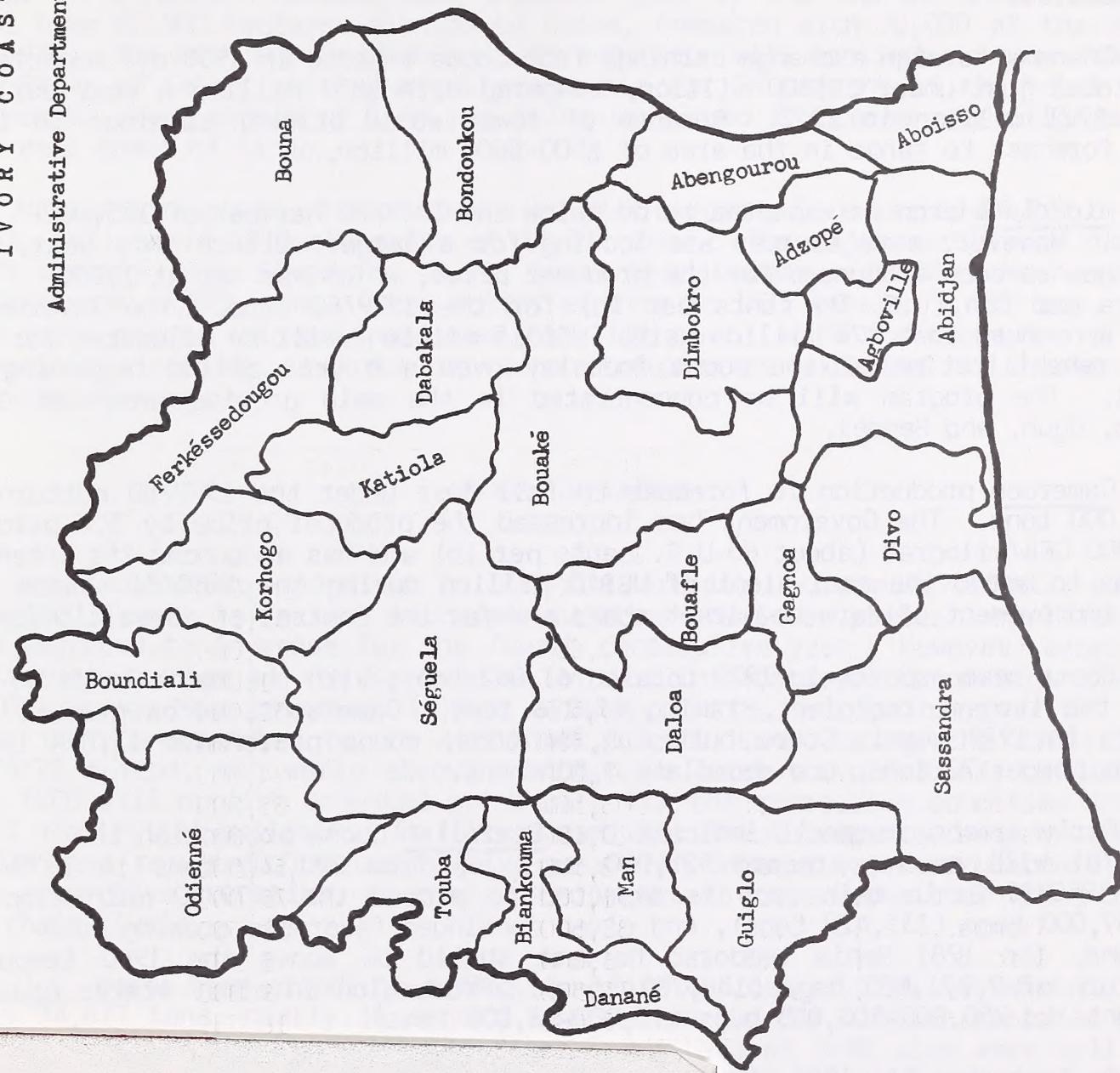
Ivory Coast: Distribution of Cocoa Area, 1977/78  
(In hectares)

Department	:	Planted Area	:	Area in Production
	:		:	
Abengourou.....	:	85,000		60,500
Abidjan.....	:	114,000		70,000
Aboisso.....	:	28,000		18,000
Adzope.....	:	55,500		35,500
Agboville.....	:	30,000		18,000
Biankouma.....	:	3,000		1,000
Bondoukou.....	:	53,500		32,000
Bouafle.....	:	40,500		31,000
Bouake.....	:	32,000		24,000
Daloa.....	:	106,500		55,000
Danane.....	:	10,000		4,000
Dimbokro.....	:	72,500		54,500
Divo.....	:	131,000		75,000
Gagnoa.....	:	80,500		51,500
Guiglo.....	:	6,000		1,500
Man.....	:	13,500		9,000
Sassandra.....	:	35,000		16,500
Total	:	896,500		557,000

Source: SATMACI

The Ivory Coast Government's efforts to store cocoa to stem the decline in world prices during the 1979/80 season met with failure when it made several large block sales last summer. However, other producing countries benefitted from this holding action, as they sold earlier in the year when prices were higher. Continuing its efforts to support prices, the Government has informed exporters that they should be prepared to store a portion of the new crop.

IVORY COAST  
Administrative Departments



U. S. Foreign Agricultural Service. World  
cocoa bean production to be above record  
1979/80 harvest. Foreign agriculture circular  
FCB 3-80. HD9200 .A1U50

Production in Ghana is forecast at 280,000 tons, somewhat below the 1979/80 output of 295,000 tons. The Government has experienced serious difficulties in moving the 1979/80 crop from the interior to ports because of deteriorating roads, bridges, and vehicles, and it is becoming increasing apparent that this situation will likely continue this season. Producer prices for the 1980/81 crop are anticipated to remain at 120 cedis per 30 kilograms (about U.S. 66 cents per lb). It is generally felt that grower prices are insufficient to encourage farmers to maintain their cocoa trees and that there is increasing incentive to shift to more profitable food-crop production.

Ghana's foreign exchange earnings from cocoa exports in 1980 are expected to total just under US\$800 million, compared with \$857 million a year earlier and \$721 million in 1978. Because of lower world prices, earnings in 1981 are forecast to range in the area of \$500-\$600 million.

Nigeria's crop is expected to be below the 1979/80 harvest of 175,000 tons. However, some sources are looking for a larger outturn this year. No change has been announced for the producer price, which was set at 1,200 naira per ton (U.S. 94 cents per lb) for the 1979/80 crop. The Government has announced that 298 million naira (US\$515 million) will be allocated for the rehabilitation of the cocoa industry over a 4 year period beginning in 1981. The program will be concentrated in the main growing areas of Oyo, Ondo, Ogun, and Bendel.

Cameroon production is forecast to fall just under the 1979/80 outturn of 122,000 tons. The Government has increased the producer price by 3.4 percent to 300 CFA/kilogram (about 65 U.S. cents per lb) and has announced its intentions to spend the equivalent of US\$40 million during the 1980/81 season for the improvement of farm-to-market roads and for the control of cocoa diseases.

Cocoa bean exports in 1979 totaled 61,062 tons, with the Netherlands being the largest recipient, taking 47,276 tons. Cameroon's cocoa product exports in 1979 were: Cocoa butter 5,984 tons, cocoa paste/mass 13,094 tons, cocoa powder 72 tons, and chocolate 4,505 tons.

Early season prospects indicate that Brazilian cocoa production in 1980/81 will reach a record 325,000 tons, up from 290,000 tons in 1979/80. The 1980/81 Bahia main crop is expected to exceed the 1979/80 main crop of 2,257,000 bags (135,420 tons), and given continued favorable growing conditions, the 1981 Bahia temporao harvest should be above the 1980 temporao outturn of 2,271,000 bags (136,260 tons). Production in other states usually amounts to 250,000-300,000 bags (15,000-18,000 tons).

On September 24, 1980, the Brazilian National Monetary Council approved the abolition of the 6-percent export tax on cocoa beans. Export taxes on cocoa products were eliminated in an earlier action on July 18, 1980. Exports of cocoa beans in 1979 totaled 156,932 tons valued at \$486.9 million, up from 1978 shipments of 134,074 tons valued at \$453.8 million. Cocoa product exports in 1979 were chocolate liquor 67,562 tons (\$270.7 million), cocoa butter 21,167 tons (\$119.3 million), cocoa cake 21,360 tons (\$58.1 million), unsweetened cocoa powder 3,374 tons (\$10 million), and sweetened cocoa powder 4,525 tons \$2.7 million.

Ecuador's production is expected to approximate the bumper 1979/80 harvest of 96,800 tons. Drier than normal weather in recent years has reduced the incidence of pod rot, which usually results in high losses, and high world prices encouraged growers to harvest marginal areas and improve cultural practices.

The Government has removed the quantitative restrictions that had limited cocoa bean exports to 25 percent of the total crop. However, the 25 percent ad-valorem export tax on cocoa bean exports continues in effect and enables local processors to bid away most of the crop from the local bean export market. Demand for Ecuadorean cocoa products has improved with the upgrading of several processing plants to meet U.S. Food & Drug Administration (FDA) standards.

Production in Malaysia continues to expand and is forecast at a record level in 1980/81. Revised data indicate that by the end of 1980, Malaysia will have 82,000 hectares planted to cocoa, compared with 70,000 at the close of 1979. The main thrust of Malaysia's expansion will continue to come from the State of Sabah, which currently accounts for 56 percent of the total area in cocoa. Vast tracts of land are being developed for cocoa production along the east coast of Sabah.

Malaysian exports of cocoa beans in 1979 amounted to a record 24,239 tons, well above 1978 shipments of 17,571 tons. The major recipients of the 1979 exports were Singapore, 7,638 tons; West Germany, 7,462 tons; and the Netherlands, 2,989 tons. Cocoa butter exports in 1979 totaled 1,460 tons, and cocoa powder shipments amounted to 1,130 tons. With the expansion of the processing industry, exports of cocoa products are expected to increase in the coming years.

#### MAJOR CONSUMERS

World cocoa bean grindings in 1981 are forecast to increase slightly over the 1980 level, reflecting increased supplies and lower prices. World stocks are expected to increase for the fourth consecutive year. However, according to recent studies by the Secretariat of the International Cocoa Organization (ICCO), cocoa bean grindings in West Germany, France, and Spain appear to have been understated by an estimated 100,000 tons during the 1974/75 to 1978/79 period, and world stocks are not as large as previously indicated. The ICCO will publish adjusted grind data for the respective countries in its next statistical bulletin. It is believed that the discrepancy in grind data could have resulted from competitive pressures between major manufacturers in the respective countries, as they did not want to reveal the true grind level to their rivals.

U.S. cocoa bean grindings during the third quarter of 1980 amounted to only 34,877 tons, nearly 16 percent below those in the similar period a year earlier. Grind levels during the first 2 quarters of 1980 also were well below those in the corresponding 1979 periods. Lower U.S. grind levels of recent years have been attributed in part to increased imports of semiprocessed cocoa products from origin countries. However, high world cocoa prices, the increased use of substitutes and extenders, inflation, and the economic slowdown have all contributed to lower grindings.

U.S. imports of cocoa beans and products for January-August 1979 and 1980 (in metric tons) were as follows:

Item	January-August		Percent change
	1979	1980	
Cocoa beans	133,514	103,065	-22.8
Chocolate, unsweetened	29,730	29,051	-2.3
Chocolate, sweetened	5,332	8,931	+67.5
Cocoa butter	19,758	23,854	+20.7
Cocoa, unsweetened	41,210	43,716	+6.1
Cocoa, sweetened	26	143	+450.0
Confectioners coatings	479	163	-66.0
Chocolate confectionery	6,960	6,371	-8.5
Total	237,009	215,294	-9.2

Source: U.S. Department of Commerce

West German grind for the third quarter totaled 32,937 tons, 8.6 percent greater than for the similar 1979 period. Grindings for the first 9-months of 1980 amounted to 108,582 tons, compared with 102,748 tons for the corresponding period a year earlier.

#### INTERNATIONAL DEVELOPMENTS

The International Cocoa Agreement (ICCA) was terminated as of March 31, 1980, as the International Cocoa Organization (ICCO) failed to agree on a new price range that more closely reflected current market conditions. The ICCA became operational on October 1, 1973, and was renewed for a 3-year period in 1976. The ICCA was granted a 6-month extension from its original expiration date of September 30, 1979, as producers and consumers remained deadlocked over a new price range.

Producers, spearheaded by the Ivory Coast and Brazil, held out for \$1.20-\$1.66 per pound, while most consuming nations favored a range of \$1.00-\$1.46. From October 1, 1977 to the termination of the ICCA, the price range was set at 65-81 cents per pound. The initial price range of the ICCA when it went into operation on October 1, 1973, was 23-32 cents per pound. A year later it was increased to 29.5-38.5 cents, and on October 1, 1976, to 39-55 cents. However, throughout the life of the ICCA, world cocoa prices remained well above the designated price ranges; thus its export quotas and buffer stock functions were never implemented.

At the June meeting of the ICCO in London, member nations agreed to postpone any action for the liquidation of the \$225-million buffer stock fund until the next ICCO meeting scheduled for September. Declining world cocoa prices had prompted "hardline" producers to reconsider the demise of the ICCA, and a consultative conference was held in Geneva under UNCTAD auspices from July 28 to August 1, to explore the feasibility of resuming negotiations toward a new ICCA. The September 8-10 meeting of the ICCO concluded that sufficient basis existed to resume talks toward a new ICCA. It was agreed that the buffer stock funds should be retained and that a conference should be held under UNCTAD auspices in Geneva from October 27 to November 7, 1980. The United States, although not a member of the ICCA, will participate in these negotiations.

COCOA BEAN GRINDINGS BY SPECIFIED COUNTRIES, BY QUARTERS, 1972-80  
(In metric tons)

Quarter:	1972	1973	1974	1975	1976	1977	1978	1979	1980
<u>United States</u>									
1st....	79,289	77,883	67,586	43,727	60,873	56,473	42,048	40,572	33,478
2nd....	66,134	73,437	58,786	51,529	54,976	46,902	38,420	41,359	30,837
3rd....	63,231	60,691	54,477	53,207	55,021	40,914	36,923	41,401	34,877
4th....	80,377	67,087	48,671	59,330	54,477	39,463	45,269	36,970	--
Total:	289,031	279,098	229,520	207,793	225,347	183,752	162,660	160,302	--
<u>West Germany</u>									
1st....	34,429	41,030	37,104	40,088	36,221	38,297	39,770	37,592	40,240
2nd....	32,569	39,507	31,773	34,049	35,187	32,315	34,724	34,819	35,405
3rd....	31,591	33,809	30,766	29,990	30,615	30,494	30,308	30,337	32,937
4th....	40,223	38,019	38,531	34,839	38,612	41,187	38,847	39,506	--
Total:	138,812	152,365	138,174	138,966	140,635	142,293	143,649	142,254	--
<u>Netherlands</u>									
1st....	31,880	33,230	33,430	33,270	34,570	34,940	33,990	35,390	35,080
2nd....	31,050	31,130	28,030	27,410	31,760	31,980	31,480	29,280	31,370
3rd....	28,450	26,260	23,020	26,500	25,900	26,610	26,680	29,760	--
4th....	33,060	31,970	30,430	32,220	35,090	32,590	33,760	33,030	--
Total:	124,440	122,590	114,910	119,400	127,320	126,120	125,910	127,460	--
<u>United Kingdom</u>									
1st....	22,048	29,059	27,738	20,219	22,300	22,000	21,010	17,700	15,500
2nd....	24,182	28,246	25,909	18,086	21,600	20,500	19,000	15,900	15,800
3rd....	24,182	23,877	21,439	15,444	17,900	16,400	15,900	12,300	--
4th....	27,332	25,808	17,984	18,797	21,200	16,400	16,500	14,700	--
Total:	97,744	106,990	93,070	72,546	83,000	75,300	72,410	60,600	--
<u>France</u>									
1st....	10,960	14,540	11,055	9,730	10,125	10,725	10,815	11,530	12,525
2nd....	12,245	12,905	9,490	9,095	9,515	10,450	10,905	11,455	10,860
3rd....	10,130	8,670	7,400	6,925	7,190	7,455	7,330	8,820	--
4th....	14,700	11,140	8,970	8,585	8,830	7,685	10,940	11,365	--
Total:	48,035	47,255	36,915	34,335	35,660	36,315	39,990	43,170	--
<u>Belgium</u>									
1st....	5,272	5,567	6,235	6,000	6,200	4,499	4,015	4,504	6,082
2nd....	4,565	4,787	4,846	4,800	5,200	3,795	3,528	3,552	--
3rd....	4,589	4,592	4,427	4,700	4,100	4,437	3,131	3,179	--
4th....	5,897	6,084	6,456	3,800	3,300	4,111	4,723	5,312	--
Total:	20,323	21,030	21,964	19,300	18,800	16,842	15,397	16,547	--
<u>Switzerland</u>									
1st....	4,364	5,275	4,703	3,961	3,915	4,407	3,699	3,096	5,300
2nd....	4,522	4,141	4,619	3,901	4,130	3,648	3,830	3,930	3,927
3rd....	4,112	4,250	3,492	3,462	3,832	4,305	3,409	2,862	--
4th....	5,478	4,274	3,919	3,404	4,095	3,809	3,364	4,077	--
Total:	18,476	17,940	16,733	14,728	15,972	16,169	14,302	13,965	--
<u>Japan</u>									
1st....	7,775	9,555	7,871	5,789	7,117	7,024	4,175	4,837	5,851
2nd....	7,690	8,540	6,298	6,891	7,789	5,956	5,465	4,877	5,027
3rd....	9,888	9,715	7,568	8,140	8,707	6,725	5,727	6,073	--
4th....	10,759	10,136	7,870	8,369	8,848	6,014	5,764	6,598	--
Total:	36,112	37,946	29,607	29,189	32,461	25,719	21,131	22,385	--
<u>Canada</u>									
1st....	4,568	4,700	4,784	2,561	3,515	3,483	2,801	2,871	--
2nd....	4,779	4,017	4,089	2,855	3,095	2,888	2,373	2,801	--
3rd....	3,752	3,988	3,202	2,214	2,434	2,011	2,164	1,913	--
4th....	5,809	5,139	3,458	3,239	3,828	3,029	3,245	--	--
Total:	18,908	17,844	15,533	10,869	12,872	11,411	10,583	--	--
<u>Australia</u>									
1st....	3,475	3,440	3,711	3,556	3,741	3,676	3,123	2,570	2,797
2nd....	4,261	3,542	4,312	3,793	4,203	4,111	3,464	3,142	--
3rd....	4,171	4,196	4,209	3,176	4,166	3,477	2,630	2,658	--
4th....	3,641	4,341	3,590	3,362	4,033	3,542	2,832	2,340	--
Total:	15,548	15,519	15,822	13,887	16,143	14,806	12,049	10,710	--

Source: National statistics of the respective countries.

World cocoa bean production is expected to trend upward during the 1980's, reflecting expansionary programs by the Ivory Coast, Brazil, and Malaysia. The high price levels experienced during the mid and late 1970's have stimulated new plantings, which will be coming into bearing and reaching full productivity during this decade. As it takes 4 to 5 years for new trees to come into production, supplies up to 1985 will largely come from plantings already made.

The Ivory Coast's 5-year plan (1976/80) envisioned production at 335,000 tons by 1980/81 and 480,000 tons by 1985/86, but production during 1979/80 already has exceeded the 1980/81 planned goal. Future area expansion beyond 1981 will put more emphasis on increasing the proportion of production under efficient industrial plantations, which currently account for only about 1 percent of the crop. However, the price decline experienced this year has made the Government take a second look at its efforts to promote cocoa expansion. But a great deal of the proposed new plantings are already in place and the many programs in effect would be difficult to reverse at this time, so that production trends are expected to continue their present path in the coming years.

Brazil has been promoting the expansion of the cocoa industry, with a somewhat optimistic projected growth to 700,000 tons by 1993 from its current 300,000-ton level. Much of this expansion will come from replanting and rehabilitation of the traditional producing areas in the state of Bahia, although expansion is planned in other states as well. The Government's PROCACAU program estimates that by 1993 the yield from new plantings will be 488,000 tons and that output from old, established areas will be about 220,000 tons. But to date, the rate of new plantings is running behind schedule, and it appears doubtful that the expansion goal will be reached. Of key importance, however, has been the development of the cocoa processing industry, which has now made Brazil the world's largest manufacturer of semi-processed cocoa products for export.

Malaysia is expanding output and is fast becoming a major cocoa influence in the world market, with the potential to produce well over 100,000 tons by the end of the decade. Production for 1980/81 is forecast to reach 40,000 tons, nearly double the 1977/78 harvest. Growers have found it to be quite profitable to intercrop cocoa with coconut, thus yielding a double return from the same land area.

Production in Ghana and Nigeria, in contrast, remains in a downward trend. Ghana, once the world's largest producer, has now slipped to third place, and Nigeria has fallen from second to fourth place. Production in these two countries during the 1978/79 season fell to its lowest level in nearly two decades, and only a modest recovery has occurred since owing to more favorable weather.

The decline in Ghana's production has been attributed to low producer prices, which have resulted in neglect of the farms and discouraged new plantings. Lower production levels also reflect declining productivity of older trees, rural-to-urban migration of farmers and workers, and diversification to more profitable food crops. Increased output from the limited new plantings is being negated by declining yields of older trees, while capsid insect damage has increased as a result of reduced spraying.

In Nigeria, a somewhat similar pattern has developed. The migration to cities for higher paying jobs, inflation, and the Government's emphasis on an industrial-based economy, have all contributed to the decline of the cocoa industry.

Unless sweeping measures are taken by the Government's of Ghana and Nigeria, their future cocoa bean crops will likely remain near the current depressed levels.

Both Cameroon and Ecuador seem to have a limited potential to expand output, as the high level of rainfall in the cocoa regions of these countries causes significant losses from pod rot. Thus, it appears that the major portion of global productions gains in the 1980's will come from the Ivory Coast, Brazil, and Malaysia.

Demand for cocoa during the 1980's will be influenced by ever increasing competition from cocoa substitutes and extenders. High world cocoa prices of the past several years have encouraged manufacturers to seek alternate products as a means of keeping costs down and thereby remaining competitive with producers of other food and snack items. Once manufacturers have altered their formulas and have received consumer acceptance, they often are reluctant to revert back to old methods that utilize more cocoa. Substitutes and extenders are more stable in supply and less expensive than cocoa. Thus, manufacturers are wary of shifting back to a product for which the supply and price varies widely from year to year. Demand for cocoa also has been curtailed by a recent shift in manufacturer's product lines to more non-chocolate items.

The near-term outlook for cocoa consumption has been further clouded by soaring sugar prices and the poor economic outlook for many major consuming countries. World consumption in 1981 is expected to fall short of production for the fourth consecutive year, resulting in another sizable stock increase. With demand being flat and production increasing, ample cocoa supplies seem to be in the offing, at least for the next several years.

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# COCOA BEAN Futures Prices

cents/lb

1

150

100

50

0

\* Oct. 1980

1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981

Monthly average of the daily closing price of the nearest three active futures trading months on the New York market.

NEW YORK COCOA BEAN FUTURES PRICES, 1965-80 <sup>1/</sup>  
(In cents per pound)

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual Average
1965 .....	20.8	18.7	15.7	15.3	14.4	12.7	11.3	14.3	16.1	16.4	17.6	20.4	16.1
1966 .....	21.3	21.1	21.8	23.3	22.8	23.4	25.8	25.7	22.3	22.6	21.9	24.5	23.0
1967 .....	25.5	27.0	26.3	25.2	25.6	24.8	25.8	27.4	26.6	26.5	28.2	28.3	26.3
1968 .....	28.8	27.3	27.3	27.6	27.2	26.7	27.2	28.6	34.2	36.5	42.3	44.7	31.5
1969 .....	40.5	39.3	38.7	38.1	37.9	39.0	41.2	39.9	39.3	40.5	41.8	38.4	39.6
1970 .....	33.4	29.5	29.6	28.8	26.2	25.7	27.7	32.7	33.1	31.4	29.6	28.6	29.7
1971 .....	23.6	24.7	24.0	24.3	22.7	24.0	25.7	26.4	24.4	22.2	21.7	21.4	23.8
1972 .....	23.8	24.5	25.9	26.0	27.4	27.3	28.9	30.3	32.2	32.7	32.1	32.7	28.7
1973 .....	31.9	33.7	37.8	42.0	51.3	52.7	70.0	64.4	59.8	57.3	51.8	51.8	50.4
1974 .....	51.3	60.0	70.4	85.5	86.4	75.4	79.6	79.0	80.0	82.6	76.0	64.9	74.3
1975 .....	64.4	66.6	62.6	54.9	47.9	44.0	53.6	53.5	54.2	56.0	56.0	60.4	56.2
1976 .....	63.0	65.7	65.6	75.9	82.7	89.8	90.3	97.3	110.7	117.7	135.3	137.0	94.3
1977 .....	154.4	172.8	183.4	162.2	170.0	195.1	200.9	179.7	177.8	159.5	160.3	148.3	172.0
1978 .....	131.2	128.9	153.9	153.5	140.6	134.6	142.6	150.8	168.6	170.3	179.6	175.2	152.5
1979 .....	162.8	155.6	149.0	142.5	147.4	152.1	139.6	135.8	141.4	134.8	131.4	139.3	144.3
1980 .....	139.1	142.4	136.0	127.9	113.5	108.6	106.2	99.3	103.6	100.9	-	-	-

<sup>1/</sup> Average of the daily closing price of the nearest three active futures trading months on the New York market.

Source: New York Journal of Commerce.

October 1980

Commodity Programs, FAS, USDA

COCOA BEANS: EXPORTS BY SPECIFIED COUNTRIES, 1979 WITH COMPARISONS  
(In metric tons)

Continent and country	1974	1975	1976	1977	1978	1979	1/
<b>Africa:</b>							
Angola.....	654	362	2/ 200	2/ 200	2/ 200	2/ 200	
Benin.....	4,115	1,610	809	1,105	2/ 1,500		4,021
Cameroon.....	88,929	72,474	68,612	56,843	61,613		61,062
Comore Islands.....	38	50	11	12	2/ 20	2/ 20	
Congo.....	1,219	2,263	2,415	2,433	2/ 2,400	2/ 2,400	
Equatorial Guinea.....	9,030	2/ 3,000	2/ 7,000	2/ 5,000	2/ 5,000	2/ 5,000	
Gabon.....	4,500	4,380	3,514	3,640	3,749		3,582
Ghana.....	313,894	322,225	327,643	249,084	207,043		199,961
Ivory Coast.....	205,300	167,524	191,409	158,491	244,967		195,024
Liberia.....	3,284	3,163	2,513	2,029	4,043	2/ 3,000	
Madagascar.....	1,138	1,246	1,653	1,578	1,208	2/ 1,500	
Nigeria.....	197,125	194,692	222,966	167,521	185,863		113,032
Sao Tome & Principe.....	9,780	5,188	5,605	6,071	2/ 6,057		8,183
Sierra Leone.....	5,933	5,567	5,790	5,454	3,716		9,639
Tanzania.....	665	618	658	2/ 675	2/ 500	2/ 500	
Togo.....	15,850	16,183	11,806	19,623	17,193		11,667
Uganda.....	205	91	123	2/ 100	2/ 100	2/ 100	
Zaire.....	4,376	5,305	4,334	3,882	4,305		3,500
<b>Total.....</b>	<b>866,035</b>	<b>805,941</b>	<b>857,061</b>	<b>683,741</b>	<b>749,477</b>	<b>622,391</b>	
<b>Latin America:</b>							
Brazil.....	129,865	176,629	128,838	107,625	134,074		156,932
Costa Rica.....	4,369	5,390	4,180	5,100	5,826	2/ 5,200	
Dominica.....	2/ 100	121	107	38	2/ 50	2/ 50	
Dominican Republic.....	26,424	22,291	24,496	25,615	27,638		26,000
Ecuador.....	68,911	37,822	22,236	20,085	16,247		13,238
Grenada.....	2,628	2,192	2,962	2,086	2,718		2,448
Guadeloupe.....	15	10	2/ 10	7	12	2/ 10	
Guatemala.....	640	587	694	3,744	2/ 3,500	2/ 3,500	
Haiti 3/.....	1,701	1,932	1,543	1,400	2,322		1,797
Honduras.....	266	172	237	405	2/ 300	2/ 300	
Jamaica.....	1,392	1,626	1,398	1,608	1,243		1,351
Mexico.....	2,896	3,669	8,392	4,757	3,640		2,043
Nicaragua.....	412	371	471	335	2/ 325	2/ 325	
Panama.....	453	723	779	612	2/ 500	2/ 500	
Peru.....	50	101	645	1,834	2,178		1,902
St. Lucia.....	129	102	106	94	93	2/ 100	
St. Vincent.....	12	10	6	11	28	2/ 25	
Surinam.....	20	38	2/ 25	2/ 25	2/ 30	2/ 25	
Trinidad and Tobago.....	3,803	4,821	2,982	3,168	3,228		2,611
Venezuela.....	11,466	14,393	7,622	7,395	6,410		6,800
<b>Total.....</b>	<b>255,552</b>	<b>272,999</b>	<b>207,729</b>	<b>185,944</b>	<b>210,362</b>	<b>225,157</b>	
<b>Asia and Oceania:</b>							
Indonesia.....	1,089	1,115	1,338	1,973	2/ 2,000	2/ 2,500	
Malaysia.....	9,725	11,775	14,751	13,608	17,571		24,239
New Hebrides.....	509	564	649	855	1,096	2/ 900	
Papua New Guinea.....	34,017	30,473	31,344	29,428	28,027		27,486
Sri Lanka.....	1,028	1,075	660	1,248	1,040		600
Western Samoa.....	1,559	1,346	1,662	2,020	1,042	2/ 1,000	
<b>Total.....</b>	<b>47,927</b>	<b>46,348</b>	<b>50,404</b>	<b>49,132</b>	<b>50,776</b>	<b>56,725</b>	
<b>Grand Total.....</b>	<b>1,169,514</b>	<b>1,125,288</b>	<b>1,115,194</b>	<b>918,817</b>	<b>1,010,615</b>	<b>904,273</b>	

1/ Preliminary. 2/ Estimated. 3/ Data based on U.S. imports.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source material, reports of Agricultural Attaches and Foreign Service Officers, results of office research and related information.

BRAZIL: EXPORTS OF COCOA BEANS AND PRODUCTS BY COUNTRY OF DESTINATION FOR 1979  
(In metric tons)

Country of destination	Cocoa beans	Chocolate liquor	Cocoa cake	Cocoa butter	Cocoa powder, unsweetened	Cocoa powder, sweetened
Western Europe:						
Austria.....	--	220	45	180	--	--
Belgium.....	30	--	--	150	--	--
Denmark.....	--	--	--	--	--	--
France.....	2,265	--	--	--	--	--
Germany, West.....	17,597	350	--	1,675	--	--
Greece.....	2,200	--	--	10	--	--
Italy.....	480	--	--	--	2	--
Netherlands.....	21,305	1,578	100	4,807	20	--
Norway.....	15	--	--	--	21	--
Portugal.....	30	1,467	80	2	--	--
Spain.....	17,715	--	130	1	14	--
Sweden.....	--	1	--	--	23	--
Switzerland.....	--	3	--	--	--	--
United Kingdom.....	5,570	2,057	275	1,780	--	--
Yugoslavia.....	5,553	100	--	60	--	--
Total.....	72,760	5,776	630	8,665	80	--
Eastern Europe & USSR:						
Bulgaria.....	1,970	2,590	--	--	--	--
Czechoslovakia.....	--	450	600	--	--	--
German Democratic Rep.:	--	1,270	--	--	--	--
Hungary.....	1,500	1,500	1,450	--	1,150	--
Poland.....	1,500	23,810	--	10	--	--
Romania.....	2,000	800	--	--	--	--
USSR.....	38,191	3,300	--	--	--	--
Total.....	45,161	33,720	2,050	10	1,150	--
Other:						
Algeria.....	--	--	--	--	30	--
Argentina.....	167	4,312	1,207	55	54	--
Australia.....	--	58	--	--	70	--
Canada.....	623	621	897	26	22	--
Chile.....	240	116	--	6	184	--
China.....	6,180	--	--	--	--	--
Israel.....	--	--	195	--	83	--
Japan.....	1,976	455	825	1,219	20	4,525
Korea, Republic of.....	--	--	--	--	3	--
Singapore.....	--	18	51	--	60	--
South Africa.....	730	300	--	--	7	--
Thailand.....	--	--	--	--	5	--
United States.....	28,573	22,186	15,139	11,127	1,606	--
Uruguay.....	522	--	366	59	--	--
Grand total.....	156,932	67,562	21,360	21,167	3,374	4,525
Value US \$1,000.....	486,873	270,705	58,086	119,314	10,029	2,657

Source: Official trade statistics of Brazil.

October 1980

Commodity Programs, FAS, USDA

COCOA BEANS: IMPORTS BY SPECIFIED COUNTRIES, 1979 WITH COMPARISONS  
(In metric tons)

Continent and country	1974	1975	1976	1977	1978	1979 1/
North America:						
Canada.....	13,176	10,930	12,375	11,186	12,706	10,670
United States.....	224,620	236,764	239,157	174,903	208,562	167,881
Total.....	<u>237,796</u>	<u>247,694</u>	<u>251,532</u>	<u>186,089</u>	<u>221,268</u>	<u>178,551</u>
Latin America:						
Argentina.....	10,187	8,815	5,035	2,311	2/ 3,000	2/ 3,000
Chile.....	1,052	362	2/ 900	339	623	2/ 500
Colombia.....	6,853	4,076	475	13	--	--
El Salvador.....	2/ 350	333	414	176	2/ 300	2/ 300
Peru.....	969	985	--	1	--	2/ --
Uruguay.....	2/ 500	525	433	308	2/ 300	2/ 300
Total.....	<u>19,911</u>	<u>15,096</u>	<u>7,257</u>	<u>3,148</u>	<u>4,223</u>	<u>4,100</u>
Western Europe:						
Austria.....	11,677	11,941	11,577	9,583	9,352	8,737
Belgium.....	17,831	16,296	16,584	15,675	16,787	17,485
Denmark.....	2,925	3,291	3,510	2,797	2,326	2,386
Finland.....	2,834	2,771	2,348	2,087	1,640	1,560
France.....	37,936	38,209	43,101	42,180	47,808	56,587
Germany, West.....	151,969	160,699	149,660	150,534	159,637	148,091
Greece.....	4,047	4,827	4,846	4,144	5,038	5,368
Iceland.....	76	86	76	78	70	2/ 75
Ireland.....	9,842	7,555	7,880	5,543	6,240	5,803
Italy.....	36,348	29,366	35,396	26,366	30,058	33,637
Netherlands.....	115,456	124,190	128,699	145,230	150,429	143,443
Norway.....	4,527	5,198	5,093	5,106	5,727	5,641
Portugal.....	2,626	2,751	2,573	1,089	211	143
Spain.....	34,544	44,933	33,506	34,398	32,501	35,890
Sweden.....	4,569	5,322	6,752	5,107	5,101	4,413
Switzerland.....	16,345	13,925	14,756	15,370	16,487	13,591
United Kingdom.....	104,043	75,926	88,395	79,874	87,956	72,126
Yugoslavia.....	16,221	16,511	9,965	15,813	11,987	14,324
Total.....	<u>573,816</u>	<u>563,797</u>	<u>564,717</u>	<u>560,974</u>	<u>589,355</u>	<u>569,300</u>
Eastern Europe & USSR:						
Bulgaria.....	11,100	13,344	10,633	4,920	4,456	2/ 5,000
Czechoslovakia.....	18,350	21,962	19,232	18,504	14,641	11,967
German Democratic Rep.:	20,655	23,401	22,908	22,435	23,700	18,911
Hungary.....	14,300	15,592	17,434	16,747	16,900	10,700
Poland.....	32,472	36,803	38,061	27,907	24,700	2/ 25,000
Romania.....	8,403	12,710	13,600	11,894	13,600	2/ 12,000
USSR.....	143,300	155,777	133,932	72,966	103,113	126,300
Total.....	<u>248,580</u>	<u>279,589</u>	<u>255,800</u>	<u>175,373</u>	<u>201,110</u>	<u>209,878</u>
Africa:						
Algeria.....	283	395	225	342	2/ 300	2/ 300
Egypt.....	719	1,343	1,419	755	1,908	2/ 1,500
Morocco.....	304	303	394	182	181	2/ 180
South Africa.....	5,313	7,777	4,883	3,081	4,130	2,969
Tunisia.....	501	450	200	353	300	2/ 300
Total.....	<u>7,120</u>	<u>10,268</u>	<u>7,121</u>	<u>4,713</u>	<u>6,819</u>	<u>5,249</u>
Asia and Oceania:						
Australia.....	19,031	18,519	12,180	15,418	12,847	10,655
China, Mainland 2/.....	4,210	10,000	3,500	6,000	14,000	10,000
India.....	672	736	548	2/ 650	2/ 600	2/ 600
Israel.....	1,850	1,501	1,463	1,329	1,294	1,125
Japan.....	25,481	29,326	33,226	30,083	21,638	23,064
Korea, Republic of.....	309	488	510	521	909	2/ 1,000
Lebanon.....	400	2/ 200	2/ 100	2/ 100	2/ 100	2/ 100
New Zealand.....	5,950	6,180	3,522	4,037	3,069	4,411
Philippines.....	3,325	2,830	3,611	3,859	3,693	4,328
Singapore.....	3,674	4,132	3,227	2,575	5,447	8,635
Syria.....	--	--	27	20	--	--
Turkey.....	1,055	2,006	1,837	1,137	1,279	2/ 1,000
Total.....	<u>65,957</u>	<u>75,918</u>	<u>63,751</u>	<u>65,729</u>	<u>64,876</u>	<u>64,918</u>
Grand total.....	1,153,180	1,192,362	1,150,178	996,026	1,087,651	1,031,996

1/ Preliminary. 2/ Imports estimated.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source material, reports of Agricultural Attachés and Foreign Service Officers, results of office research and related information.

COCOA BEANS: IMPORTS BY SPECIFIED COUNTRIES BY COUNTRY OF ORIGIN, 1979  
(In metric tons)

Country of origin	United States	Germany: West	Nether-lands	United Kingdom	Belgium	Italy	Japan	Spain	Switzer-land	Austria
Africa										
Cameroon.....	13,542	48,776	3,716	19	8	606	10	673	--	45
Congo.....	891	994	459	--	--	180	--	--	--	--
Benin.....	920	215	564	--	--	2,271	--	--	--	51
Equatorial Guinea.....	314	967	--	--	--	--	--	--	--	--
Gabon.....	2,370	587	108	--	--	606	--	11	--	--
Ghana.....	16,989	16,238	15,102	3,777	21,852	682	2,859	16,480	90	--
Ivory Coast.....	42,769	52,571	33,791	32,610	6,044	4,380	16,688	364	4,529	6,847
Liberia.....	1,001	1,716	1,252	--	--	21	--	--	--	3,123
Madagascar.....	--	121	25	1,405	--	--	50	--	--	--
Nigeria.....	18,797	18,771	8,952	5,421	32,888	1,265	6,930	10	40	615
Sao Tome and Principe.....	--	1,478	3,751	--	--	50	306	--	--	61
Sierra Leone.....	--	--	1,754	--	--	152	--	--	--	259
Togo.....	--	3,167	5,925	765	--	321	150	--	--	--
Zaire.....	--	1,037	763	231	--	1,014	279	--	237	90
Other.....	1,502	565	218	169	--	--	--	23	20	37
Total.....	81,058	113,701	123,072	49,225	60,955	7,720	30,946	16,864	15,530	9,452
Latin America										
Brazil.....	31,396	10,784	14,126	1,224	5,070	70	242	2,122	18,480	630
Costa Rica.....	2,631	179	32	--	--	--	1,376	--	--	5
Dominican Republic.....	25,849	24	47	--	--	--	--	--	--	--
Écuador.....	7,033	2,070	526	980	50	697	938	1,094	117	1,323
Venezuela.....	729	976	16	519	--	1,808	454	495	--	1,226
Other.....	8,972	1,870	524	657	2,140	794	229	102	714	600
Total.....	76,610	15,903	15,224	3,427	7,260	3,369	1,863	5,689	19,311	3,779
Asia and Oceania										
Indonesia.....	439	1,288	285	96	--	109	44	30	--	131
Malaysia.....	963	9,646	2,226	150	166	88	39	414	931	60
Papua New Guinea.....	7,378	6,592	2,027	2,492	1,390	2,767	--	57	68	473
Other.....	976	832	119	1,158	--	28	238	10	20	74
Total.....	9,756	18,358	4,657	3,896	1,556	2,992	321	511	1,019	327
Not specified.....	457	129	490	39	2,355	3,404	507	--	30	33
Grand Total.....	167,881	143,091	143,443	56,587	72,126	17,485	33,637	23,064	35,890	13,591

Source: National foreign trade statistics of the respective countries.

October 1980

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